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Africa Review

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19 September 1986

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*Articles have been coordinated as appropriate with other offices within CIA.
Comments and queries regarding this publication may be directed to the Chief,
Production Staff, Office of African and Latin American Analysis,*

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Africa Review [redacted]

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Articles

Tanzania: Nyerere Continues
To Meddle [redacted]

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President Mwinyi's campaign against official corruption has earned him widespread popularity but may draw him into sharper political conflict with Party chairman and former President Nyerere. Although Nyerere has given tacit public support to the campaign, his reputation has suffered from his close relations with many top officials who are now under suspicion. We believe Nyerere also is probably bitter over Tanzania's recent accord with the International Monetary Fund (IMF) and may be looking to undo the damage to his prestige and socialist policies by capitalizing on public resentment over IMF-recommended austerity measures. [redacted]

official positions. [redacted]

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[redacted]

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New Broom Sweeps Clean

Mwinyi's anticorruption drive wreaked havoc this summer on bloated and inept state-run enterprises, earning him considerable acclaim from the public and pragmatic members of the government. Mwinyi, who took office last November, has appointed a number of investigative committees, audited parastatals, and fired and charged with criminal activities a number of corrupt officials. At a recent rally, the Dar es Salaam party regional commissioner publicly encouraged his efforts to sweep Tanzania clean of "victimization, embezzlement, and negligence." The Tanzanian press has kept the campaign in the public eye, reporting on it in some detail and giving Mwinyi himself prominent coverage. We believe that the campaign has caught the attention of most Tanzanians, who now can blame corrupt officials for the country's severe economic decline. [redacted]

We believe Mwinyi, caught between his fear of Nyerere's political influence and pressure from moderates, does not want the anticorruption campaign to appear to be a purge of Nyerere's loyalists. [redacted]

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[redacted]

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Mwinyi has garnered the support of Horace Kolimba, a Nyerere appointee who investigated corruption among Musoma officials several years ago and is known to be a strict and honest administrator. By using Kolimba and others known to have had Nyerere's confidence, Mwinyi probably hopes to minimize Nyerere's disapproval and enhance the campaign's image among Tanzanians who still hold Nyerere in high esteem. Mwinyi also is using the judicial system for investigations and audits, rather

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Mwinyi, however, has stopped short of bringing corruption charges against any of Nyerere's closest followers, most of whom are from Nyerere's native Musoma region and appear to be the most heavily involved in fraud, embezzlement, and misuse of

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President Mwinyi holding iron broom, symbolic of anticorruption campaign [redacted]



Tanzania Daily News

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than the country's sole political party, which previously handled such matters, but which is still susceptible to Nyerere's intervention. He is also circumventing Prime Minister Warioba, from the Musoma region, in a departure from normal procedure, [redacted]

Mwinyi is relying heavily on the Tanzanian security service, which has been instructed to concentrate on "economic crime," [redacted]

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Nyerere, however, will not continue to protect his followers [redacted] probably to avoid further damage to his reputation.

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Nyerere's Reaction

We believe that Tanzanians generally regard Nyerere to be free of personal corruption, and [redacted]

[redacted] he will not be investigated because he purportedly was unaware that those close to him were abusing their power. We believe, however, that guilt by association probably has slightly tainted his pristine reputation and undercut his political influence, as many of his loyalists are under investigation or suspicion. [redacted]

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Highlights of the Corruption Campaign

May Government reveals GAPEX scandal; \$3.5 million in government revenues embezzled by authorities. (GAPEX exports about 30 agricultural commodities that earn foreign exchange.)

June Foreign press implicates Bank of Tanzania officials in GAPEX scandal. Six private businessmen arrested for complicity; GAPEX director-general suspended.

Government-appointed corruption probe team concludes that official negligence led to massive deaths of state-owned cattle on Zanzibar, costing the government almost \$2 million.

July Seven telecommunications and transport sector parastatals get new directors.

In a press conference, Mwinyi announces that government officials found to have misused their positions or caused large losses to the government will be fired, tried in court, and made to repay the government by nationalization of their private holdings.

GAPEX director-general and 3 subordinates are charged with defrauding the government of over \$2.5 million.

Mwinyi holds meeting on corruption with Cabinet and provincial governors; cites country's moral crisis, rise in alcoholism, embezzlement. Announces surprise audits for parastatals.

August Ten local Dar es Salaam officials—including city director and city treasurer—are removed and indicted for misuse of public funds.

Mwinyi announces strict enforcement of directive disallowing members of parliament from being appointed to boards of parastatals.

Director-general of National Provident Fund (social security program) is fired after government audits disclose Fund losses of over \$460,000. The Fund's chief accountant and director of finance is also terminated.

Investigations reveal large loss to the government-owned Tanzanian Agricultural Research Organization through fraud, forgeries, and accounting manipulations.

[redacted] 25X1

Nyerere's hurried promises were merely meant to placate Mwinyi, in our view, and he is unlikely to stop meddling in the government. [redacted] 25X1

[redacted] Nyerere has organized an opposition group within the Cabinet to counter support for the new IMF accord and the anticorruption campaign. We also expect that Nyerere will attempt to recoup his diminished prestige in the near term by focusing on other domestic issues, notably the relationship between mainland Tanzania and the semiautonomous government of Zanzibar, joined in tenuous union since 1964. Nyerere's attempt to prop up the ailing mainland economy by transferring all of Zanzibar's foreign exchange earnings to mainland banks has stalled. [redacted] 25X1

Opposing the IMF Accord

A longtime opponent of the IMF, which he claims interferes intolerably in internal affairs, Nyerere also probably believes his position has been hurt by Tanzania's recent accord with the Fund. Dar es Salaam has already implemented some IMF recommendations, including a hike in producer and consumer prices, import liberalizations, and a preliminary devaluation—measures Nyerere resisted while president. More important, we believe Nyerere may see the agreement as the first step away from his 24-year legacy of socialist economic policies. His approval of the agreement—politically necessary to secure it—probably was only grudgingly given in the face of worsening economic conditions, popular dissatisfaction, strong pressure from moderates in the government and financial circles, and the refusal of traditional donors to maintain aid levels until an agreement was reached. [redacted] 25X1

Dar es Salaam's recent austerity measures may provide Nyerere with the means to derail the accord, an action he may believe necessary to reestablish his political predominance. Austerity so far has prompted [redacted] 25X1

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two episodes of civil unrest—unusual in Tanzania—and may provoke more demonstrations as other measures are implemented this fall. Last month provincial police suppressed a strike by factory workers for higher wages, resulting in the deaths of three workers and over a dozen wounded. In addition, according to the US Embassy, students at the University of Dar es Salaam demonstrated in late August because of cutbacks in food services. []

Nyerere's extensive influence probably has suffered only marginally from his clumsy attempts to counter Mwinyi's new programs and from suspicions that the former President's top proteges are the most deeply involved in corrupt activities. We believe he will continue to take every opportunity to reassert his authority and maintain his political predominance.

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Outlook

Although corruption has almost become a way of life in Tanzania, the campaign has boosted Mwinyi's popularity enormously, especially on the mainland where he has only a small base of support and, as a Zanzibari Muslim, belongs to an ethnic and religious minority. In particular, his newfound grassroots support may help cushion discontent over austerity measures and enable him to press his advantage by removing Nyerere appointees in the government or reorganizing the Cabinet. []

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The anticorruption campaign will probably wind down in the next few months, and, [] it is not certain that Mwinyi will pursue proven perpetrators if they are top Nyerere administration officials. If Mwinyi does not prosecute the most blatant offenders among Nyerere's cronies, he is likely to lose substantial support among moderate and pragmatic officials—many of whom spearheaded the IMF agreement and probably view the anticorruption campaign as an opportunity to clean up corruption and reduce Nyerere's meddling in the government. Mwinyi is unlikely to lose much support among the general population, however, because the public remains largely unaware of the mostly secret allegations against the Musoma clique and will probably be satisfied with the more visible results from the parastatal dragnet. At any rate, Tanzania's overworked judicial system is already unable to handle the wave of prosecutions, and many cases will probably lapse or drag on indefinitely. []

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Zimbabwe: Success of Farms Threatened

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A review of US Embassy, IMF (International Monetary Fund), and open-source reporting indicates that, since independence in 1980, Zimbabwe has succeeded both in maintaining the productivity of its large, white-owned commercial farming sector and in stimulating rapid increases in production by a significant group of small, black-owned farms. Harare has expanded extension, financial, and market services to small farmers and maintained price incentives for farm products. Despite Prime Minister Mugabe's commitment to eventually build a socialist society, the government in the first six years of independence has avoided the destructive nationalization and collectivization policies that have been at the root of farm problems in many other African countries.

Government plans to continue to expand extension and other services to black farmers will result in further crop increases over the next several years, in our judgment. Counterbalancing this relatively promising outlook is the likelihood that Zimbabwe will face transport problems that will disrupt agricultural exports because of South African retaliation against sanctions. In addition, a possible increase in the pace of land redistribution may lead to cuts in productivity on rich land now owned by white farmers. Finally, the government may further soften its price incentives to farmers to reduce budgetary drains resulting from crop surpluses. Surpluses have saddled the government with heavy expenses for storage and induced it to export substantial quantities of corn at a loss because of the difference between subsidized domestic prices and low international market prices.

Record of Growth

Tobacco, cotton, and corn highlight the farm success. Tobacco and cotton are Zimbabwe's second and fourth most important export commodities, and corn is the main food crop. Depressed by severe drought during 1982-84, tobacco and cotton posted record harvests in 1985 and 1986. The government-owned Grain Marketing Board had an unprecedented 3

Zimbabwe: Marketed Volume of Corn, Cotton, and Tobacco

Thousand tons
(annual average)

	Corn ^a	Cotton	Tobacco
1971-75	1,006	142	67
1976-80	859	157	97
1981-85	1,157	192	102
1986	1,457	245	124

^a Data exclude about 650,000 tons retained annually by farmers for family consumption.

million tons of corn from the 1985 and 1986 harvests available for local marketing and export following the April 1986 harvest. Export contracts totaling nearly one-half million tons of corn have been signed.

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The keys to success have been a rapid increase in production of corn and cotton by small, black-owned farms, and a switch by many white farms from corn to tobacco. White farmers have increased tobacco acreage by one-third since independence, to more than 50,000 hectares. During the same period, small farms have increased their share of total corn production from less than one-tenth to nearly one-half, and of cotton from one-fifth to one-half. The increases in corn and cotton production by small farms have more than offset losses resulting from the shift of acreage on larger farms into tobacco.

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Support for Small Farms

Both Zimbabwean and Western experts attribute much of the country's farm success to a shift of emphasis by government extension services under Mugabe from the white-owned commercial farming sector to small, black-owned farms. About 1,500 to 2,000 extension agents now provide advice and

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training to small farmers on timely land preparation, proper fertilizer and pesticide application, efficient harvest and storage methods, and better land conservation, according to Zimbabwean farm journals. Extension agents and seed company salesmen help keep farmers apprised of hybrid seed development, and, as a result, more than 90 percent of Zimbabwean farmers purchase hybrid corn seed annually, according to US Embassy reporting. []

Harare also has improved finance and marketing services to small farmers. The Agricultural Finance Corporation, which prior to independence had exclusively served large commercial farms, now has about 100,000 loans to small farmers totaling more than \$30 million, according to the US Embassy. The Grain Marketing Board has opened more than a dozen new depots in black farming areas over the past few years, and the Cotton Marketing Board has extended its services from the 900 white commercial cotton farmers to include the marketing needs of about 160,000 small-scale registered cotton growers, according to press and Embassy reporting. []

Three farm organizations with memberships encompassing nearly all Zimbabwean farmers give the farm sector a strong voice in important government decisions, such as the annual exercise of setting prices and subsidies for coming crops. As a result, corn and cotton prices have been maintained by the government at favorable levels in most years since independence. Although not controlled by the government, tobacco sales are benefiting from the opening in mid-1986 of a large new auction facility constructed by a subsidiary of the Zimbabwe Tobacco Association. []

Problems of Surplus

Surplus corn is imposing large budgetary drains on the government. In addition to rising costs of storing surpluses, Harare is experiencing serious losses because of the difference between domestic subsidized prices in excess of \$100 a ton and export prices of about \$60-65 a ton. Budgetary losses on subsidized corn exports will continue to increase, in our judgment, because further increases in production by black farmers are likely and because of a large disparity between Zimbabwean farm costs and world

Zimbabwe: Structure of Agriculture

Agricultural land in Zimbabwe is divided roughly equally, about 16 million hectares each to commercial and communal farming. About 4,500 white-owned large farms and 9,000 black-owned small farms are located in the commercial area, and 700,000 to 900,000 black farm families live on the communal land. Because of preindependence ownership patterns, more than three-fourths of black families live on land that is best suited to cattle ranching because of low soil quality and rainfall shortages, while 80 percent of white-owned land is suitable for intensive farming. About 2.2 million hectares of formerly white-owned land have been purchased by the government and distributed to 34,000 black families since independence. []

By value, the leading crops are tobacco, cotton, corn, sugar, and beef. Tobacco annually accounts for 20 to 25 percent of nongold exports. Although farms and ranches in the commercial farming area are privately owned and operated, the government exerts tight control on virtually all farm pricing and marketing except tobacco. []

levels. Constraints that keep Zimbabwean farm costs high include inadequate amounts of rich land, sometimes spotty rainfall, a technology lag, and long transport routes to ports in South Africa and Mozambique that are vulnerable to disruption by Pretoria and by South African-backed insurgents in Mozambique. To restrain the growth of corn production, Harare has limited new price incentives this year, and the farm extension service has begun pushing farmers to plant alternative crops such as soybeans. Production and marketing prospects for these crops, however, still are uncertain. []

Prospects

Further growth in production by small, black-owned farms over the next several years seems assured because of the government's commitment to continue to expand extension, financial, and marketing services

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to this group and to improve living conditions for blacks. Whether these increases will still assure agricultural self-sufficiency and export growth is questionable, however, because of potential problems that could interfere with exports and cut productivity on land now farmed by whites. Zimbabwe almost certainly would experience severe cuts in export shipments of all crops in the likely event of retaliation by Pretoria for international economic sanctions against South Africa. Transport cuts by South Africa could occur this fall. []

Despite the accommodation of white farmers by the Mugabe government in the six years since independence, we believe continuing pressures to increase the pace of land redistribution still could cut productivity on land now farmed by whites. Yields (output per hectare) on white farms still exceed those on black-owned land, according to Zimbabwean farm journals, but white farmers often leave portions of their land fallow if they judge that markets do not justify planting. In contrast, black farmers—pressed to maximize annual income—fully utilize all acreage each year. Some press reporting indicates that this difference in land utilization is perceived to have heightened the unfairness of land ownership and increased popular sentiment to step up redistribution. A new Land Acquisition Act that became effective in March 1986 gives the government first option on all sales of farmland and enables it to acquire land that has not been “substantially and continuously utilized for the past three years.” The dismal record of government-operated farms throughout Africa leads us to believe that yields on land acquired by Harare would drop sharply if the regime followed through on its public commitment to reorganize large farms acquired from whites into state farms or agricultural cooperatives. []

Other problems that could interrupt the growth of farm output include recurring drought and, this year, the possibility that locust swarms that are threatening crops in other southern African countries may spread to Zimbabwe. In addition, Harare’s rapidly growing budget deficits may induce policymakers to extend this year’s limitations on farm price incentives despite a likely negative impact on the rate of improvement in black farm welfare and on the growth of foreign exchange earnings. []

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Ghana: The Exiles and Regional Politics [redacted]

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Ghanaian exiles based in neighboring Nigeria, Togo, and Ivory Coast [redacted] probably do not pose a credible challenge to the left-leaning Rawlings regime over the near term. The dissidents—mostly former soldiers and businessmen—have a long history of poorly planned coup attempts, leadership rifts, and a shortage of weapons, according to the US Embassy. Moreover, we believe that the regime has successfully kept the dissidents off balance with frequent security alerts and preemptive arrests of alleged supporters. In our view, however, the threat from these exiles is likely to increase Rawlings's dependence on Marxist adviser Kojo Tsikata, who, with East Bloc assistance, is building an effective security and intelligence network. [redacted]

Since 1981, exiles have mounted at least seven unsuccessful coup attempts and appear increasingly unable to muster the resources to challenge Rawlings seriously. A review of US Embassy and press reporting indicates that, in the last two years, only a handful of former soldiers have succeeded in crossing the border into Ghana, and most have been captured or barely escaped. Shortages of trained men led London-based exiles to hire American mercenaries to attempt a coup earlier this year, but the mercenaries were subsequently imprisoned in Brazil for arms smuggling, according to US Embassy reporting. [redacted]

Factional Politics

A variety of reports from the US Embassy and other sources indicates that the exiles are beset by petty squabbling and a lack of financial resources. Most exiles survive on United Nations refugee money or funding provided by Ghanaian businessmen living in London. [redacted]

[redacted] A survey of Embassy reporting indicates that the prolonged absence from their homeland, Tsikata's effective security organization, and a relatively strong Ghanaian economy have seriously limited the exiles' ability to establish a network of internal supporters. [redacted]

Tsikata's Intelligence Service

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A survey of US Embassy and [redacted] that pro-Soviet ruling council member Tsikata is working behind the scenes to establish an effective and personally loyal intelligence service, designed to ferret out domestic opponents and penetrate external dissident groups. [redacted]

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already have been deployed in government offices, the customs and immigration services, newspapers, regional ministries, the military, and the police. [redacted]

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Hamidu Group. US Embassy and press reporting indicates that a dissident group led by former Ghanaian Army Gen. Joshua Hamidu is probably the largest organization, with about 20 members. Although Hamidu, who served as head of Ghanaian [redacted]

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military intelligence in the 1970s, has long claimed the support of a number of African governments, we see no evidence that he has received more than token aid. [] he has limited backing among disparate exile groups in Togo, Nigeria, and Ivory Coast, and he reportedly maintains links to London-based exiles. []

Other Dissidents. A review of reports from the US Embassy [] indicates that several small pro-Western dissident groups remain in neighboring Togo and Nigeria but lack the resources to challenge the Rawlings regime effectively. A group led by former Ghanaian Army Captain J. L. Abito probably has fewer than 20 men and is usually short of funds to pay the rent on its quarters in Lome, Togo, according to US Embassy reporting. Another group, led by former Sgt. Daniel Akatapore, who was one of the original members of the ruling Provisional National Defense Council and who launched an unsuccessful coup attempt in May 1982, divides its time between London and Lome. Akatapore, once a hardcore Marxist, now claims to be a staunch anti-Communist. Akatapore's handful of adherents almost certainly lacks sufficient arms and financial backing to topple Rawlings, and we suspect that the group may have disbanded. []

Two London-based dissident groups generally limit themselves to press releases and occasional appeals for Western assistance. The Ghanaian Democratic Movement, composed largely of officials from several former Ghanaian governments, is led by J. H. Mensah, who served as a finance minister in the early 1970s. According to US Embassy and press reports, Mensah was arrested in New Jersey last year for attempting to purchase weapons illegally, and in March received a suspended prison sentence. The Campaign for Democracy in Ghana is led by Boakye Djan, the number-two official in Rawlings's first regime in 1979, who claims he is seeking to restore democracy in Ghana. According to a variety of press and academic sources, his organization lacks funding and has only a handful of supporters. []

Regional Support

Togo. Ties between Ghana and pro-Western Togo have been strained since Rawlings returned to power in 1981. Togolese President Eyadema privately

believes that Libya helped to install Rawlings, and has regularly told US officials that Ghana is the cause of all of West Africa's security problems, according to US Embassy reporting. Eyadema is particularly irritated by the continued presence in Accra of the Togolese dissident group, the Movement for Democracy in Togo, led by the sons of former President Olympio. For its part, Accra has frequently accused Lome of failing to monitor the Ghanaian dissidents sufficiently, and noted that almost all exile attacks have been launched from Togo. []

We believe the two countries are unlikely to resolve the dissident problem. According to US Embassy reporting, Eyadema earlier this year claimed that Togo would return any dissidents if Ghana provided their names and simultaneously handed over the Olympios. Accra refused, claiming the Togolese would execute the Olympios. Nonetheless, in June, Togo expelled 13 Ghanaian exiles, including a minor dissident leader, Capt. Edward Ampofo, in the mistaken expectation that Ghana would reciprocate, according to the Embassy. In our view, a swap is very unlikely—the Olympios are closely tied to Tsikata, while Togo probably regards the remaining Ghanaian exiles as the only leverage it has over Accra. []

Nigeria. Although Nigeria has long mistrusted the left-leaning Rawlings regime, Lagos provides only limited support to the exiles. []

[] Nigerian President Babangida believes that Accra represents the major threat to West African stability and is disturbed by what he regards as increasing East Bloc influence there.

[] the Nigerians have provided financial aid to the Hamidu group, but not enough for it to purchase substantial quantities of arms or to recruit more soldiers. We also note that Lagos has sought unsuccessfully to broker a "united front" of anti-Rawlings exiles. In our view, Lagos may continue to fund some of the exiles to maintain limited influence over Ghanaian politics but almost certainly realizes that the dissidents are not a credible alternative to Rawlings. []

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Ivory Coast. Ivory Coast and Ghana maintain fairly cordial ties, with neither actively harboring dissidents, according to US Embassy and press reporting.

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[redacted] US Embassy reporting indicates that Rawlings, fearful of regional isolation, carefully cultivates the pro-Western Ivorian Government.

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[redacted]

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Outlook

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[redacted] The continued activities of the dissidents will reinforce Rawlings's dependence on Tsikata, increase Ghana's reliance on the East Bloc intelligence operatives, and provide fuel for a radical-controlled press that claims the dissidents are funded and trained by the United States. [redacted]

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Sierra Leone: A Troubled Economy [REDACTED]

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A survey of US Embassy reporting indicates that President Momoh has initiated some modest economic reforms in an attempt to halt the country's financial collapse. He probably will agree to International Monetary Fund (IMF) terms for a standby loan but believes stiff austerity measures may prompt the already hard-pressed public to take to the streets. The US Embassy indicates that Momoh has had only limited success in reducing the influence of Lebanese businessman Jamil Mohammed, who continues to deftly manipulate the economic system. [REDACTED]

Limited Reforms

Momoh's reforms have failed to materially improve the economy, despite his pledge to make progress when he assumed the presidency last November. The Embassy reports that inflation has climbed from 70 percent to more than 100 percent; power outages in the capital are frequent; smuggling of diamonds, gold, and rice is rampant; and imports of petroleum, foodstuffs, and basic consumer goods are limited. Momoh has failed to cut public-sector expenditures, and the Embassy reports he is bewildered by Sierra Leone's economic complexities. Moreover, the treasury is nearly empty—in July, Sierra Leone did not have even \$385,000 in foreign exchange to pay for the operation and maintenance of the two presidential helicopters. [REDACTED]

The reforms reflect Momoh's cautious, if not indecisive, posture. The Embassy reports that the government has raised producer prices for cocoa and coffee, pledged to reform inefficient and corrupt state-owned businesses, and, in June, lifted rice subsidies. In violation of this pledge, however, and probably to forestall coup plotting, US Embassy officials report that Momoh has quietly kept intact rice subsidies for the Army and the police. In late June, at the recommendation of the IMF, Momoh floated the overvalued currency. The Embassy reports that Momoh has requested US assistance in implementing budget reforms. [REDACTED]

The IMF Issue

Momoh has been trying to obtain an IMF standby loan since March, but Freetown must first repay accrued debts and agree to implement major economic reforms. According to the US Embassy, Sierra Leone will be ineligible for a loan if \$25 million in arrears is not paid by 19 September, and so far has been unable to secure a commercial bank loan to repay this debt. [REDACTED]

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Freetown would probably agree to most IMF recommendations, in our view, but will run the risk of sparking public unrest. Momoh has yet to persuade Sierra Leoneans of the longer term benefits of an IMF accord, and some newspapers have argued that an agreement will not solve the country's economic ills, according to Embassy reporting. [REDACTED]

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[REDACTED] strikes may erupt if Freetown implements the IMF-recommended reduction of public-sector employment by 60 percent, while doctors and university teachers may strike to protest declining purchasing power as a result of the currency devaluations. [REDACTED]

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[REDACTED] Sierra Leonean police believe the spiraling cost of living will spark riots in the coming months, which we believe they are ill equipped to control.

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Curbing Jamil's Grasp?

Momoh has had only marginal success in curbing Lebanese businessman Jamil's wide-ranging control of key economic sectors, according to US Embassy reporting. Embassy reports say that so long as Jamil dominates the diamond industry, Freetown will be unable to amass enough foreign exchange earnings to turn the economy around. The Embassy reports that Jamil successfully demands that the government pay its debts to him before other creditors, and that Freetown is finding it difficult to take care of its external obligations. [REDACTED]

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Diamond Monopoly. The Embassy reports that Sierra Leone's \$100 million-plus diamond industry is dominated by smugglers, and, in particular, by Jamil, who is aided by corrupt government officials.

[redacted] the government-owned diamond firm DIMNCO is bankrupt and may have to lay off as much as 50 percent of the work force. In an attempt to undercut Jamil's monopoly, the government held an independent diamond auction in July.¹ Although Momoh believes he successfully eluded Jamil's grasp,

[redacted] Jamil's company overbid to discourage other dealers, and delayed paying for the gems, hoping to undermine the Sierra Leonean economy further. [redacted]

Oil Imports. The government has ended Jamil's absolute control of petroleum imports, but a variety of US Embassy reporting indicates that he remains the primary broker and financier of crude oil. For several years, Freetown has relied on Jamil because it was unable to secure lines of credit from most exporters. The major oil companies—Mobil, Texaco, and Shell—continue to refuse to provide petroleum on credit, insisting that Freetown must first make token payments on its arrears, according to Embassy reporting. In July, a US firm agreed to finance \$3 million of oil imports from Nigeria, but [redacted]

[redacted] Freetown, still lacking sufficient foreign exchange, may default on this debt and jeopardize future transactions with multinationals and Nigeria. [redacted]

Momoh's Limited Options

Co-optation. According to a variety of Embassy reports, Momoh—mistakenly, in our view—believes he can co-opt Jamil, or at least persuade him to reduce his grip on the economy. Momoh has not directly challenged Jamil's control, but he has used parliament members and journalists to criticize publicly Jamil's stranglehold. [redacted]

¹ Before this, Jamil, in his capacity as managing director of the Government Gold and Diamond Office, evaluated and sold the diamonds on behalf of the government. Jamil resigned from the post in July but retains financial influence in the office. [redacted]

[redacted] Momoh's reluctance to curb Jamil's activities probably stems from his belief that Jamil has connections to various terrorist organizations and possesses the financial resources to topple him at any time, [redacted]

"Divide and Rule." A review of US Embassy reporting indicates that Momoh's economic fortunes would probably improve somewhat if he played Lebanese businessmen off against one another. According to the Embassy, a number of Lebanese businessmen are bitter rivals, particularly Jamil and Tony Yazbeck. Yazbeck, a Lebanese Christian, may be the richest man in Sierra Leone, according to unconfirmed press reports. Like Jamil, he participates in diamond smuggling and owns several companies in Freetown, including the Mercedes dealership. Yazbeck has occasionally loaned the government of former President Stevens money to pay some of its debts, and reportedly funded the construction of the Army barracks in Freetown. A variety of US Embassy and press reports indicate that Jamil and Yazbeck financed rival candidates in the May parliamentary elections. For the moment, it appears that Momoh is reluctant to move away from Jamil and seek loans from other Lebanese businessmen, probably fearing retribution. [redacted]

Martial Law. Momoh claims that if there is no economic upturn by December, he will suspend the constitution, declare martial law, and place the military in charge of key ministries to enforce draconian reforms. [redacted]

[redacted] A survey of US Embassy reporting indicates that Momoh does not like the idea of martial law because it will undermine the image of his "democratic" government. Nonetheless, we believe Momoh may opt for martial law if he comes under significant pressure from the military to enact stiff reforms or be overthrown. We note, however, that martial law, while it might curb smuggling and other illicit activities, would not immediately improve Sierra Leone's fortunes. Jamil would almost certainly

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cease to provide the government with loans to pay for critical food and gas imports, and Freetown—at least for several months—would lack the foreign exchange to make the purchases itself. []

The “Israeli Option.” Momoh may attempt to use Israeli businesses to usurp some of Jamil’s influence, according to the US Embassy and press reports. Freetown, which severed diplomatic relations with Tel Aviv in 1973, is encouraging an Israeli front company, Liat, to fund the defunct parastatal National Trading Company, which in the past controlled the country’s imports, and to invest in the diamond industry. According to Embassy reporting, in recent months Liat won a contract to sell tractors to the Agricultural Ministry, sold buses to the government, and reportedly gave Mrs. Momoh \$250,000 to “donate” to her favorite charities. The Embassy also reports that Liat accepts the nearly worthless Sierra Leone currency for payment, rather than demanding hard currency. []

While Liat’s involvement may reduce Jamil’s influence somewhat, it is likely to create new problems for Momoh. The reestablishment of ties to Israel almost certainly will dash Freetown’s efforts to secure concessionary oil supplies from Kuwait, Iraq, and Saudi Arabia, and will alienate Sierra Leone’s Muslims, who make up almost 60 percent of the population. Liat’s alleged links to South Africa—it is registered in Bophuthatswana—may also cause Momoh some domestic and international embarrassment, in our view. We also doubt that Liat and other Israeli companies have the financial resources to bail out many of Sierra Leone’s bankrupt industries and to match Jamil’s capital. []

Outlook

Momoh is likely to muddle through with modest economic reforms but may backtrack even on these if he believes antiregime riots will erupt. Sierra Leone cannot generate enough revenue from its exports to pay off its mounting foreign debts and, for the near term, will remain at the financial mercy of Jamil and other Lebanese businessmen. Should Freetown fail in its efforts to come to terms with the IMF, Momoh will have no choice but to depend fully on Jamil as the “bank of last resort” to pay for imports. On the other hand, we believe the IMF-suggested austerity program is likely to fuel urban unrest, particularly if Momoh is unable to convince the public of the necessity for such reforms. []

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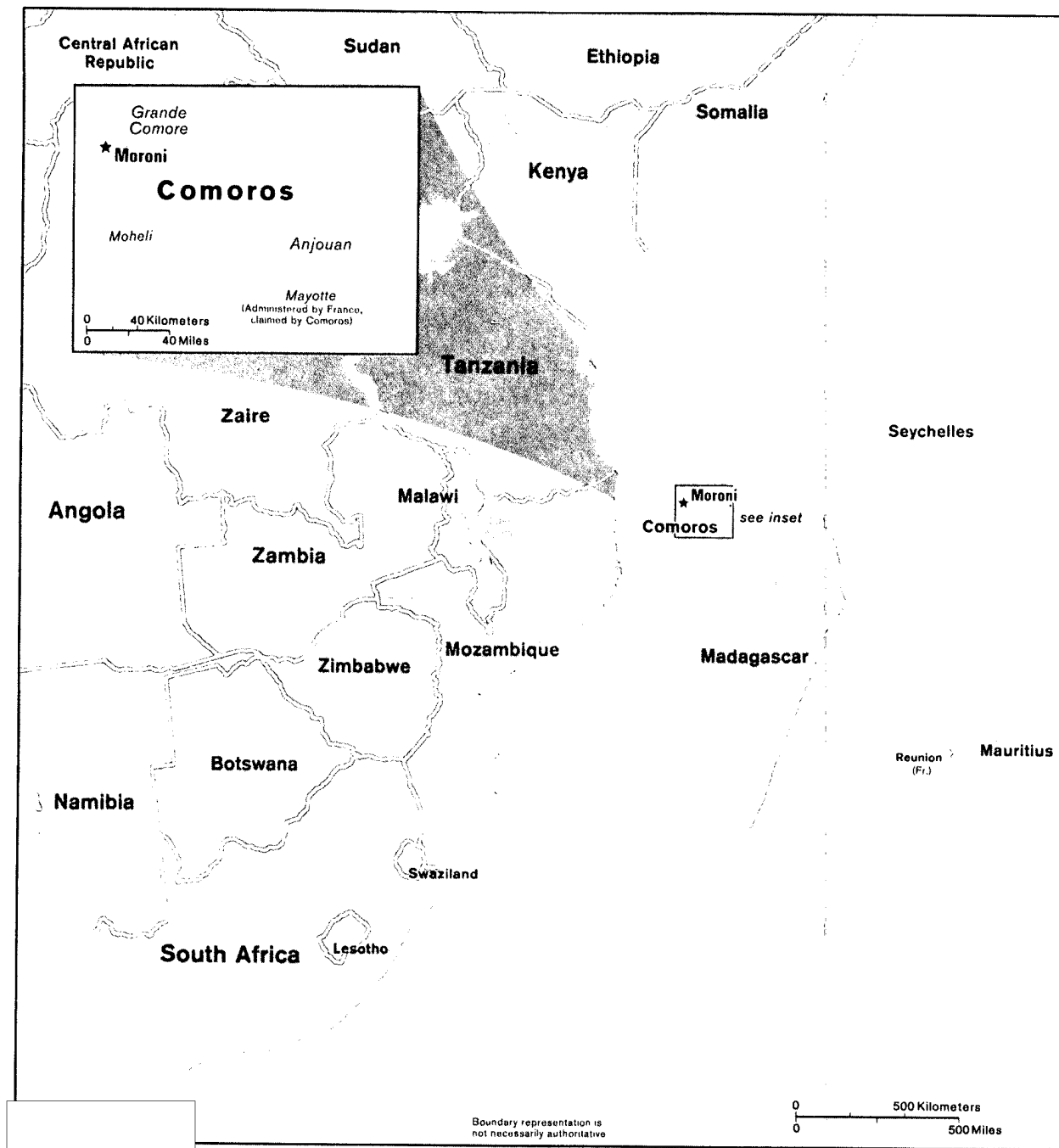
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Comoros: Profile of the Opposition

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We believe that popular support for conservative President Abdallah has eroded steadily since his unopposed election to a second six-year term in 1984. According to the US Embassy, a stagnating economy, corruption, nepotism, and Abdallah's increasingly erratic behavior have fueled mounting discontent—especially among unemployed youth—that a variety of moderate and radical opponents seek to exploit. In our view, however, Abdallah's adamant refusal to meet with opposition leaders or address their grievances will lead them to work in concert for his removal and could provide opportunities for meddling by the Soviets, the Libyans, and Islamic fundamentalists.

Domestic Opponents

Abdallah's domestic opponents espouse a variety of ideologies and pose varying threats to his hold on power. We believe the moderate domestic opposition—composed of former government officials—remains fragmented and is united by little more than personal ambition. Embassy reporting indicates that the moderates are willing to work for a peaceful, constitutional change of power and seek the resignation of Abdallah in favor of one of their leaders or the formation of an opposition party to challenge the country's sole political party in open elections. In contrast, radical leftist elements, who attempted a coup early last year, almost certainly seek to assume power by any means necessary.

Mouzaair Abdallah is emerging as the most prominent moderate rival to the President, in our view. Embassy reporting indicates that he is gaining support from several of Abdallah's ministers and religious leaders by criticizing the deteriorating economy and the rise of Islamic fundamentalism among the youth. Mouzaair returned to Comoros late last year after several years of self-exile in Paris, where he founded the dissident Union for the Democratic Republic of the Comoros. President Abdallah permitted his return after a meeting in Paris in which Mouzaair pledged to refrain from opposition

President Ahmed Abdallah Abderemane



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Member of preindependence government . . . declared unilateral independence from France in 1975 . . . ousted in a coup one month later by radical Ali Soileh . . . returned to power in a mercenary-led coup in 1978 . . . has charted a moderate, pro-West course . . . views ties to France as essential, but relations strained over issue of Mayotte's status . . . conservative governing style . . . adept at fending off political rivals . . . one of the wealthiest men in the region . . . born on Anjouan . . . about 67 years old.

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activity. Mouzaair, however, violated that commitment with a speechmaking campaign on Anjouan—the President's home island—and a series of well-attended antigovernment demonstrations last June.

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Embassy officials note that Mouzaair is bright, ambitious, and opportunistic. He appears capable of changing his loyalties and ideology when politically expedient; he was foreign minister under Ali Soileh, Abdallah's radical predecessor, but now is adopting a

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more moderate posture to appeal to the largely conservative populace. His prescriptions to remedy the economy and eliminate corruption, although still loosely defined, include bringing in French administrative technicians and promoting greater private enterprise. The Embassy reports that Mouzaoir would like to phase out the unpopular contingent of about 60 European mercenaries that guards Abdallah, and encourage the West—particularly the United States and France—to become more involved in domestic affairs in order to deter Soviet and Libyan meddling. []

While prospects for forging a broad-based coalition among moderates appear dim for now, Mouzaoir has said he is willing to work with other opposition groups, according to the Embassy. Foremost among these other opponents is the self-styled “constitutional opposition,” composed of several powerful ministers Abdallah dismissed last year and led by Ali Mroudjae, a former prime minister. Although a competent technocrat, Mroudjae lacks charisma, according to the Embassy, and has had difficulty in appealing to the country’s youth. Furthermore, just as Mouzaoir’s reputation is tarnished by his tenure as Soileh’s foreign minister, we believe that the “constitutional opposition” is constrained from massing broad-based support because its leaders had been closely associated with Abdallah. The Embassy reports that this group favors increased US economic assistance and would like to root out corruption but otherwise lacks a plan to rejuvenate the economy. []

While Abdallah probably believes that his more moderate domestic opponents pose little threat to him for now, the Embassy reports that his staid traditionalism is alienating the youth, who are vulnerable to extremist movements that advocate any form of change. Embassy reporting indicates that Islamic fundamentalism slowly is attracting supporters on Anjouan, and its leaders have called for the imposition of Islamic law. The dissident leftist Democratic Front, long inactive, is reportedly extending its appeal among the youth by organizing clubs that serve as political forums. The Embassy reports that some French officials believe that Moscow may be indirectly supporting the Front,

possibly through Comoran exiles in Tanzania. [] the Front is controlled by the Marxist-Leninist Communist Movement of the Comoros (MCMLC), which was behind an aborted coup last year. Despite the government’s success in arresting MCMLC leaders and uncovering the movement’s countrywide network, Abdallah has been unable to completely eliminate it, according to Embassy reporting, and it probably retains some support in the military, including the 500- to 600-man Presidential Guard, as well as among students and the unemployed. We believe that the MCMLC, after recouping its losses, almost certainly will again attempt to topple the regime. []

External Opposition

Although we have little information on external opposition groups, [] they are based mainly in Paris and have almost no domestic support. The US Embassy in Paris reports that Abdallah’s domestic opponents have made some attempts to unite with the exiles in a probable bid for French assistance but have been largely unsuccessful. Mouzaoir’s organization probably is the best organized dissident group, and [] it has moderated its early proleft stance. We believe that some of these groups may receive support from rightwing French politicians critical of Abdallah’s regime and his vociferous stand on bringing the French possession of Mayotte under Comoran sovereignty. []

Two prominent exiles in France appear to be working independently of the dissident groups. Mohamed Taki, a former Federal Assembly president, has rebuffed overtures from Abdallah’s domestic rivals, according to the Embassy. Although we have no information on Taki’s political views, Embassy reporting indicates he may have some support among conservatives at home. We believe his inclusion in a united effort against Abdallah probably would strengthen the moderate opposition. The other leading exile, Prince Said Ali Kemal, a member of an influential Comoran family and a former ambassador, is opportunistic and probably espouses a leftist ideology, according to Embassy reporting. Embassy

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Leading Opposition Figures

Mouzaour Abdallah . . . bright, ambitious, a political chameleon . . . member of preindependence government . . . foreign minister during 1975-78 Soileh regime . . . imprisoned, later pardoned by Abdallah for opposition activities . . . self-exiled to France, founded dissident Union for the Democratic Republic of the Comoros . . . opposes Communism and Islamic fundamentalism and favors ties to France . . . born on Grand Comore . . . about 45 years old. [redacted]

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Ali Mroudjae . . . considered by some observers to be front-runner to succeed Abdallah . . . political following mainly confined to home island of Grand Comore . . . member of preindependence government . . . imprisoned and tortured during 1975-78 Soileh regime . . . served as prime minister and, later, minister of interior under Abdallah . . . dismissed in 1985 . . . pro-Western views . . . bright, articulate, [redacted] . . . about 47 years old. [redacted]

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Mohamed Taki . . . former president of Federal Assembly . . . self-exiled to France in 1985 when Abdallah removed him from constitutional succession . . . chief rival of Mroudjae . . . talented, [redacted]

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[redacted] . . . deeply religious . . . member of influential Grand Comore family. [redacted]

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Prince Said Ali Kemal . . . former ambassador to France . . . resigned post in 1980 to protest Abdallah's domestic policy . . . worked as a journalist in France . . . founded a small leftwing dissident group . . . alleged member of Democratic Front . . . [redacted] . . . member of an influential Grand Comore family . . . about 47 years old. [redacted]

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reporting indicates that Kemal was behind three attempts to recruit mercenaries to topple Abdallah, and that he may have received funds from Libya. We believe he has almost no domestic support. []

Other Players: Paris and the Soldiers of Fortune

We believe that the French Government and the mercenaries are likely to play a role in preserving stability in Comoros by determining who ultimately succeeds Abdallah. French economic assistance keeps the Comoran economy afloat, and the mercenaries have been the arbiter of power since they installed Abdallah in a coup in 1978. The French, in our view, are likely to continue to support Abdallah as long as he does not press his claim on Mayotte too forcefully or allow the Soviets to establish a base on Anjouan, as he has threatened in the past. French support may wane, however, if Abdallah's erratic behavior and failure to alleviate poor economic conditions embolden the radical opposition. The Embassy reports that, at various times, Paris appears to have favored Ali Mroudjae, Mohamed Taki, and Finance Minister Said Ahmed Said Ali, who is dedicated to eliminating corruption. We believe that the mercenaries will seek to preserve their privileged position in the country and would support any of Abdallah's rivals who would protect their interests. Embassy reporting indicates that the mercenaries have drawn up their own list of potential successors, but we have no reporting on who these might be. []

We believe that Army Comdr. Mohamed Ahmed, described by Mouzaour as a "budding Bokassa," could be a factor in any succession scenario. []

[] Ahmed is steadily expanding his poorly equipped and trained 450-man Army, which competes with the Presidential Guard for resources and influence. While we believe Ahmed is unlikely to challenge Abdallah or the Presidential Guard directly, he may be positioning himself to take advantage of instability resulting from a coup attempt or domestic unrest. []

Outlook

With his opponents in disarray, Abdallah still retains the support of the French and his mercenary-led Presidential Guard, backing that probably will enable him to retain power over the near term. We believe, however, that, unless he takes some action to regain popular support such as clamping down on corruption and nepotism and meeting with the moderate opposition, many of his supporters probably will switch their backing to a more pragmatic leader over the longer term and work behind the scenes for his removal. Abdallah's delay in addressing popular concerns will give the radical opposition time to regroup and make additional inroads among the disillusioned youth that could invite Soviet or Libyan meddling. []

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**Africa
Briefs****Comoros-USSR****Baiting the West** []

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President Abdallah apparently is seeking ways to prod the United States and France to provide increased levels of economic and political assistance. According to the US Embassy, he has accepted up to 50 scholarships for academic study in the Soviet Union and agreed to consider a Soviet offer for fisheries assistance. The Embassy reports that, although the conservative, staunchly pro-West Abdallah rebuffs most Soviet overtures, his disappointment over what he believes are insufficient levels of US and French assistance prompted him to accept the offer by Soviet Ambassador Orlov. []

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Abdallah long has been dissatisfied with the tight purse strings of his Western donors, although he almost certainly recognizes that such assistance is vital to propping up his increasingly shaky regime. He also is angered by French foot-dragging on the status of the nearby island of Mayotte—claimed by Comoros but administered by France—which is a politically sensitive issue for the government. According to the Embassy, Abdallah warned the French Ambassador that he would allow the Soviets to establish a “base” in Comoros if France retained possession of Mayotte. Although Abdallah has tried similar bluffs before, he may believe that once again raising the specter of a Soviet foothold in Comoros, situated along major sea lanes in the Mozambique Channel, will bring greater US and French aid and win concessions on the Mayotte issue. []

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Malawi**Police-Army Rivalry** []

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Longstanding rivalry between Malawi's security forces erupted in three violent clashes between Army and police personnel last month in the capital, []. The incidents—which resulted in several detentions, the dismissal of Army personnel, and serious injuries—have angered local officials and required the intervention of the Army's deputy commander [].

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This represents the first reported bloodshed between the two forces, whose rivalry had previously been confined to competition for funding for arms imports and President Banda's attention. The rivalry—which seems to spring from the lower ranks because relations between leaders of the two services are good—represents one of the few manifestations of discontent in Malawi's normally tranquil political scene. If unchecked, however, the rivalry could mar a smooth transition of power when Banda, a dictatorial octogenarian who has no designated successor, dies or becomes incapacitated. []

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We believe that the Army, which has sworn to uphold the constitution during the succession era and might assume power if constitutional procedures are circumvented, would probably be able to quell any opposition. The Army is well trained and disciplined. Numbering about 6,800, it is organized into three battalions and one support battalion, as well as a small air wing that has received a number of helicopters in the past year. The police force has a strength of about 3,000, including a 500-man armed paramilitary unit and an intelligence service, but has been considerably weakened by a recent harsh corruption purge and lacks the Army's considerable mobility, superior weapons, and professional organization.

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Angola Chronology

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August 1986

<i>1 August</i>	Angola and the USSR signed protocols in Luanda on economic, technical, trade, and construction cooperation for the period 1986-90 between the two countries. <input type="text"/>	25X1
	UNITA claimed that it shot down six Angolan Government helicopters in Bie Province. <input type="text"/>	25X1
<i>6 August</i>	Cuba began to relay domestic broadcasts to Angola via Soviet satellite. Observers speculate this is intended to boost the morale of the 36,000-man Cuban military contingent supporting the Angolan Government. <input type="text"/>	25X1
<i>7 August</i>	Andrew Young, former US Ambassador to the United Nations, met in Luanda with Foreign Minister Alfonso Van-Dunem. The Angolan Minister stated that Angola would resume talks on peace in southern Africa, but only if the United States drops its demand that Cuban troops leave Angola in exchange for Namibian independence. <input type="text"/>	25X1
<i>9 August</i>	UNITA attacked Cuito Cuanavale in Cuando Cubango Province, claiming to have destroyed substantial Angolan weaponry, including aircraft, radar equipment, and artillery. Cuito Cuanavale is a staging point for the anticipated government offensive against UNITA-held territory. UNITA broke off the attack later in the month, and <input type="text"/> the insurgents did not inflict severe damage. UNITA's actions may have disrupted government military plans temporarily, but the extent of Angolan military activity in the region suggests that an offensive against UNITA is still likely this year. <input type="text"/>	25X1 25X1
<i>16 August</i>	Angolan President dos Santos held discussions in Luanda with a delegation of private American citizens led by the Rev. Jesse Jackson. Dos Santos called for improved ties between the United States and Angola and for greater US efforts to resolve the racial problems of South Africa. <input type="text"/>	25X1
<i>18 August</i>	UNITA announced that its sixth congress would be held in Jamba within the next four weeks. The main topic will be the movement's capacity for creating conditions for peace and national reconciliation and the creation of the position of vice president. <input type="text"/>	25X1
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